

STAMPS AND STAMP DUTIES

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usual to refuse to stamp such a contract unless the stamp duty chargeable on the lease is paid on stamping the contract. The object of this is to ensure that the lease duty is paid. It is found that in many cases, the lessor and lessee are content to trust to the terms of the lease as recited in the contract, without even actually preparing and exchanging a formal lease and counterpart.

In the case of a contract for sale of a business there is a rather curious distinction imposed between a business sold to a limited company and a business sold otherwise. The contract for sale of a business to a limited company has to bear stamp duty on that part of the consideration which will not be subsequently included in a conveyance. If it is not, the Registrar of Joint Stock Companies will not allow it to be filed. The contract for sale of a business is, however, deemed to be sufficiently stamped—as regards enforcing its performance or obtaining damages for its breach if it is stamped at sixpence (under hand) or ten shillings (under seal).

Contracts for sale of a business to a limited company need special care in preparation, so as to avoid paying more duty than is necessary.

For example, no stamp duty is payable

on property which passes by "delivery"—such as loose plant, stock in trade, furniture, cash, or money on current account at the bank, but money on deposit at the bank will pay duty. It should, therefore (to avoid duty), be temporarily transferred to current account until after the company is incorporated and then once again placed on deposit.

Where a deed is executed in duplicate, the duplicate deed should be stamped with a 5s. stamp (or if the original deed is stamped less than 5s. the